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11 May 1984

Worldwide Report

TELECOMMUNICATIONS POLICY,
RESEARCH AND DEVELOPMENT

FBIS

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11 May 1984

WORLDWIDE REPORT
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BRIEFS

SOUTH PACIFIC NETWORK--One of Australia's top experts in Telecommunications has arrived in Suva to set in motion an ambitious program to develop the Telecommunications networks of South Pacific Nations. One urgent task to be undertaken by the expert, Mr Jim Wilkinson, is to see how and at what cost the spare facilities available in the Intelsat Pacific Satellite System can be used to provide better national telephone services in the 12 Pacific Forum countries. This would entail setting up small satellite earth stations in remote rural areas to link with the main urban centres via satellites. Mr Wilkinson plans to visit the countries involved before a meeting in June of the program management group. He told a Radio Australia Correspondent in Suva that he hoped to produce two reports in time for the meeting. One will be a draft three year program on Telecommunications Development in the Region. The other will be a report detailing the costs and technical aspects of setting up and operating domestic satellite networks. [Text] [Honiara SOLOMON STAR in English 6 Apr 84 p 8]

CSO: 5500/4378

BRIEFS

RETRIEVING PALAPA B-2--Indonesia will have no objection if the U.S. National Aeronautics and Space Administration, NASA, is trying to retrieve the missing Palapa B-2 satellite provided not to raise the cost and not to disturb the scheduled launching of the replacing Palapa B-2. [Sentence as heard] This was stated by President Suharto when receiving Minister of Tourism, Post and Telecommunications Akhmad Tahir at the Cendana Mansion this morning. Akhmad Tahir told newsmen that NASA deems it necessary to ask the permission from Indonesia because legally the missing Palapa B-2 satellite remains the legal possession of Indonesia until the insurance company completes its (?surety) in Indonesia. Pertaining to the replacing Palapa B-2 satellite, Minister Tahir said that its production contract will be handled with the Hughes Corporation on 1 May 1984 in order that its launching could be carried out in March 1986 next. [Text] [BK240921 Jakarta International Service in English 0800 GMT 24 Apr 84]

CSO: 5500/4379

MALAYSIA

BRIEFS

TELEX, DATA NET EXPANSION--Malaysia's government-owned telecommunications company, Jabatan Telecom, has given the Ericsson firm a contract to expand the country's telex and computer data network. The agreement will run for 10 years and the first installations will come into operation at the beginning of next year. An initial order of 90 million kronor has been signed which includes, among other items, seven telex/computer data stations. The equipment will be made in Sweden. [Text] [Stockholm DAGENS NYHETER in Swedish 26 Apr 84 p 8]

CSO: 5500/2666

DEFENSE MINISTER ZHANG AIPING ON SATELLITE DEFENSE

HK210258 Beijing CHINA DAILY in English 21 Apr 84 p 1

[Article by staff reporter Liu Dizhong: "Satellite Ready To Go Into Regular Service"]

[Text] China's experimental communications satellite will now be put into regular service since telecommunications, radio, and television transmission tests have been successfully conducted, Zhang Aiping, state councillor and minister of defence told CHINA DAILY yesterday.

TV viewers throughout the country will see tomorrow a documentary film on the satellite's 8 April launching. The show will be beamed via the satellite, Zhang said.

The satellite was propelled by a three-stage rocket and reached its geostationary position at 125 degrees east longitude over the equator at 18:27.57 Beijing time on Monday.

Zhang said that he had a telephone conversation via the satellite with Wang Enmao, first secretary of the party committee of the Xinjiang Uygur Autonomous Region in Urumqi. He said both parties heard each other clearly. Zhang said the satellite can cover not only all of China, but also neighbouring countries. "There is the possibility," he said, "for China to have telecommunication links with its neighbours."

With this satellite, a first step has been taken to improve the nation's telecommunications, he said, adding that a solid foundation has also been laid for the country to further develop space technology. China will launch other satellites in the near future to improve weather forecasting, natural resources surveying, and in other areas. He noted, however, that China still lagged behind some industrialized countries in space technology. China seeks cooperation with the United States, Federal Germany, France, Italy, and other countries in this field, he said. However, the minister stressed that "China will persist in its self-reliance policy in developing its space industry."

Turning to China's programme for modernizing its national defences, Zhang said: "Except for infantry weapons, China has a long way to go to catch up with industrialized countries." In the field of conventional weapons, China can expect to see a marked improvement by the end of 1985, and will catch up to world

advanced levels by 1990, Zhang predicted. Updating military equipment is only part of the task, he said, adding it is even more important to strengthen the political quality of the People's Liberation Army. "The most advanced weapons will be useless in the hands of soldiers who are not dedicated to the country," he said. Asked about cooperation with the United States in military technology, Zhang said that cooperation in conventional weapons began last year when U.S. Defence Secretary Casper Weinberger visited China, and there were prospects for expanding the cooperation.

CSO: 5500/4193

SPACE INDUSTRY MINISTER INTERVIEWED ON SATELLITE

062133h Beijing XINHUA Domestic Service in Chinese 1432 GMT 22 Apr 84

[Report by Zheng Qianli]

[Text] Beijing, 22 Apr (XINHUA)--In an interview with a XINHUA reporter on 22 April on the successful launch of the experimental communications satellite, Space Industry Minister Zhang Jun said: China will make greater progress in its space technology.

Zhang Jun said: The experimental communications satellite was a key state engineering project approved by Chairman Mao and Premier Zhou. However, it was only after the 3d Plenary Session of the 11th CPC Central Committee was convened that the project proceeded rapidly. The fact that we were able to develop the satellite within such a short period of time and successfully launch it on the first try gives ample evidence of the superiority of the socialist system. The project included satellite body, carrier, launching, survey and control, and ground units. All of them were inseparable, with firm and unified leadership and extensive socialist coordination. Only through extensive socialist coordination was it possible to coordinate the steps of personnel and units involved in the project, thereby synchronizing the rotation of the communications satellite with the earth.

He added: The space industry already has a fairly large contingent of scientific and technical personnel specialized in scientific research, design, production and experimentation. High in technical level and rich in experience, the contingent has already tackled many formidable tasks. Imbued with an innovative spirit and dedicated to the cause of socialist modernization, the scientists, engineers and technicians have combined their revolutionary enthusiasm with a serious scientific attitude. This contingent has lofty ideals and the abilities to tackle difficult technical problems and shoulder the heavy task of modernization in science and technology.

Zhang Jun said: Space technology is an important component of the new technological revolution in the world. We must continue to strive as hard as necessary from now on. We must formulate effective measures for developing China's space technology and industry, improve its management and planning, speed up the process from the experimental stage to actual application, and

continue to raise economic efficiency so as to meet the needs of the national economic construction and defense building. I believe that China's space technology will develop more rapidly in the near future and contribute more to the building of the four modernizations in the country.

CSO: 5500/4191

SATELLITE WORKERS, SPACE PROGRAM 'MARTYRS' HAILED

OW241036 Beijing XINHUA Domestic Service in Chinese 1435 GMT 19 Apr 84

[Newsletter by XINHUA reporters Zhang Chunting and Lin Ning: "Rise Steeply for 70,000 Li"]

[Excerpts] Beijing, 19 Apr (XINHUA)--On 16 April 1984, China's experimental communications satellite carried out tests in communications and radio and television transmission at its geostationary position in the synchronous orbit 36,000 km above the equator, thus introducing a new chapter in using a satellite developed and made in China to relay information. The news about this has reached the whole world. The world public opinion says that China has once again scored a spectacular achievement in space technology.

Space technology that was pioneered in the 1950's has already become an important yardstick by which to judge the technical level of a nation's modern science and technology. With the approval of the party Central Committee, China's project to develop an experimental communications satellite began in 1975. In the long march toward space, China's scientists and engineers have broken through brambles and thorns and solved one major problem after another in advanced science and technology, finally scaling the peak.

China Truly Has Men and Women of Great Ability

To send a satellite into synchronous orbit 36,000 km above the earth, a new and even more efficient rocket was needed. This has brought to the space scientists and engineers a series of extremely complex technical problems. There are only a few countries in the world that now excel in this advanced technological field. In order to make a tremendous breakthrough in China's space technology and bridge the gap between China and the world advanced level, it was essential that China develop its own new engine.

The heavy responsibility for solving this difficult problem fell on the researchers and engineers in engine development. Zhu Shenyuan, director of the research office, who was a doctoral candidate as early as the 1950's, took the lead in tackling difficult problems and reached the actual experimental stage from a theoretical stage within a short period. He had made tremendous progress after a few years of strenuous efforts. However, he was faced with enormous difficulties in tackling some key technical problems.

In order to strengthen leadership in doing this work, Deputy Director Wang Zhiren of the research office joined the comrades in tackling the problems. When she came back to China from a trip abroad, she sincerely spoke to the comrades of the technical group. She said: In doing this kind of job, we cannot believe that we can learn something from others in tackling the key technical questions. We should only rely on ourselves and use our own brains and hands. Setbacks and failures are not what we are afraid of. What we fear is lack of confidence and integrity. Thereafter, this woman expert worked even harder and tackled difficult problems day and night. The three-stage carrier rocket, with the new engine type developed by Chinese scientists and engineers as its "heart," was born at this historic moment! Our determination, wisdom, and moral integrity have become a tremendous force in reaching the pinnacle in the field of science and technology. The heroic Chinese workers in the field of space science and technology said as one: "We have done it ourselves!"

In order to ensure that the communications satellite will accurately enter the orbit and stably carry out its mission for a long time, we needed a precision vertical dynamic stabilizer. After spending more than 5 years in designing, processing, building, installing and readjusting this device, the team that tackled this difficult problem, which was composed of college graduates and workers, succeeded in developing China's first full-sized vertical dynamic stabilizer from scratch.

Valuable "Centripetal Force"

There are 5 major systems in the entire communications satellite project and more than 100,000 parts in the satellite. For all those who participated in this magnificent project it is necessary to work hard in a creative manner in strict accordance with the plan. However, what senior engineer Li Yihuai had shown was his noble character as the master of the country. Li Yihuai did participate in developing the synchronous communications satellite from the start. He was a graduate student who had graduated from Jiatong University in Xian in 1965. He thought: The state has cultivated a poor boy like me into an engineer with rich vocational knowledge. He himself should make contributions to building the motherland. He covertly expressed his determination to work on the synchronous communications satellite using his professional knowledge, which had taken 7 years to acquire.

When design work began for the antenna antispinning system for China's experimental communications satellite, a stepper motor was chosen to be used. At that time this type of stepper motor was fairly advanced; later even more advanced brushless motors came out. Li Yihuai covertly regarded the use of the brushless motor as his target in tackling the major technical problems. Li Yihua's plan to develop this type of motor on a sparetime basis had finally won recognition and support from the leadership. On the eve of National Day in 1980, he and the comrades of the technical group succeeded in overcoming their major obstacles. After more than a month the general coordination meeting for China's first experimental communications satellite project adopted a resolution to abandon the use of the stepper motor in favor of the brushless motor.

People Who Shoulder Heavy Responsibilities

In the contingent of scientists and engineers in the field of space science and technology, a group of middle-aged intellectuals is boldly shouldering heavy responsibilities. History has pushed them to the forefront of the four modernizations program. There are two engineers in the Satellite General Assembly Plant--a married couple. The husband is a 1965 graduate from the Beijing Institute of Posts and Telecommunications, while the wife is a graduate from a polytechnic school. They regarded their task to overcome difficulties and complete their mission in doing scientific research as their happiest goal. In 1976 the leadership of the plant gave the husband the assignment of developing a device that uses isotopes to check the satellite's air-seal system. Thereafter, he and his wife, who was responsible for checking the satellite for air leaks, worked in the same workshop and shared this scientific research project. They borrowed reference materials from the local library and studied them in the workshop in the daytime, and discussed various issues in the evening at home when they were preparing and eating their dinner. Later, this couple and their colleagues succeeded in developing China's first full-sized equipment for checking air seals, winning a Merit of Second Class from the Commission of Science and Technology and Industry for National Defense for their scientific research achievement.

People's Scientific Workers Offer All They Have for the Building of the Motherland

People may ask: What kind of danger would scientific researchers in white coats face? Let us narrate a story: When the experimenters at the No 5 pad of a rocket experiment center were testing the fuel flow and its speed on 28 January 1978, a roaring explosion occurred around the pad, followed by a fire. Gigantic air waves destroyed the windows and doors, shattered the roof, and bent the steel beams. Even glass in buildings as far as 80 meters away was shattered. A dozen or more people who participated in the test were thrown to the floor with their hair, eyebrows, and faces burned. Some of them lost their hearing because of broken eardrums.

But the brave scientists were not at all scared. They staunchly stood up, ignoring the pain they were experiencing, and immediately plunged into the struggle to extinguish the fire. They escorted the seven comrades who were more seriously wounded to a hospital. In the ambulance, the brave scientists thought of the experiment while ignoring the pain from their wounds caused by the fire. The director in charge of the pad, who was wounded, told the party branch secretary who was escorting them to the hospital: "Time is pressing: you go back and quickly organize the resumption of the experiment. Don't delay the progress of the project because of us."

That very afternoon the party branch held a meeting to find out the cause of this incident, and discussed measures on resuming the test again. Normal operation was resumed in only 3 days. A week later, the director of pad No 5 and several other comrades, with bandages still around their heads, returned to the workshop to take part in the experiment. It was only after the experiment was completed that they went back to the hospital to continue to receive treatment.

When [the gas produced by] this new type of fuel reached a certain proportion in the air, the static electricity caused by a person touching his own hair was sufficient to cause an explosion. Nevertheless, the scientific and technical personnel conducted various experiments with the fuel in order to find out its property and rules so that it could conveniently serve the space undertaking.

The heroic deeds of bloody sacrifices occurred not only on the battlefield. In order to send the motherland's first synchronous communications satellite into the scheduled orbit in space, some scientific and technical workers unselfishly laid down their precious lives. Engineer Ma Jingyang, who was a Communist Party member, went into the experiment laboratory of the Atomic Energy Research Institute a total of 31 times to conduct an important experiment. As a result, he was exposed to excessive amounts of radiation. Because this happened during the chaotic time of the "gang of four," Ma Jingyang could not even receive minimum safety protection. Didn't he know that radiation was harmful to the human body? Surely he was aware of this. However, it was necessary to conduct simulated experiment on the ground in order to obtain the data about changes that would occur to the communications satellite after being sent into space and exposed to solar ions. In other words, he clearly knew there was a tiger in the mountain, but he headed toward the mountain.

Ma Jingyang never retreated in face of scientific experiment. This young man, who was in his 30's and originally healthy, contracted a serious ailment from his work. For 6 or 7 years he had difficulty breathing, but never complained. Every time he felt better, he went back to the office from the hospital and worked frantically. Fellow comrades made him rest. But he said: "Everyone has been working so assiduously. How can I just lie in bed? I would feel much better even if I could share even the slightest amount of work." At his death bed, leaders and fellow comrades asked him about his wish. He said apologetically: "I have done too little. It seems that I will never be able to see the communications satellite in space...."

We can comfort those who laid down their lives with the fact that China's first synchronous communications satellite has been successfully launched. In celebrating their successes, people will not forget those martyrs who laid down their lives for building a broad avenue to success. Let us forever keep their achievements in our minds!

CSO: 5500/4191

BRIEFS

SATELLITE HOOKUP--Premier the Hon. John Swan will see and talk to British Prime Minister Mrs. Margaret Thatcher in 10 Downing Street next month--without leaving the Island. The two leaders will see and talk to each other on a special two-way satellite link-up arranged to mark the opening of Cable and Wireless's new earth station in Devonshire on April 30. The new \$10 million satellite dish is part of a \$22 million project which will be opened in a special ceremony at the station. C&W have booked a 50-minute satellite spot to link Mr. Swan with Mrs. Thatcher and the Prime Minister will be able to watch the official opening of the new facilities. They will actually talk at 5.35 p.m. for about five minutes. Television crews at both ends will provide the pictures, the British Broadcasting Corporation will film Mrs. Thatcher and ZBM will cover Mr. Swan. Local television viewers are likely to see some of the exchange on tape at a later date. The opening ceremony, which will be performed by Mr. Swan, will be attended by 250 invited guests. The new station will allow C&W to meet increased demand for overseas telephone services from Bermuda and will provide the only major communications facility the Island now lacks: television transmit capability. [Text] [Hamilton THE ROYAL GAZETTE in English 26 Mar 84 p 1]

CSO: 5500/7525

CAMPAIGN SUPPORTS MARKET RESERVE FOR INFORMATICS INDUSTRY

Campaign Launched

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Apr 84 p 46

[Report by Vera Lucia Rodrigues]

[Text] With an average growth rate of about 30 percent per year, informatics has been considered one of the most important segments of the Brazilian economy at the present time. However, national informatics policy is being put into practice by directives from the Special Secretariat for Informatics, which is under the National Security Council of the presidency of the republic.

In order to support transformation of the current policy into law, a campaign led by the Brazilian Society for the Advancement of Science (SBPC) and the Union of Engineers of the State of Sao Paulo will be launched at 1800 hours tomorrow in the convention amphitheater on the campus of the University of Sao Paulo.

According to Joao Alexandre Viegas of the SBPC, a campaign will be launched for the legal establishment by the national congress of a reserved market for the national informatics industry and technologies. "The subject has been concerning growing segments of society", he explained, "because of the evermore intense and open pressures by the multinationals and foreign countries against the Brazilian policy. But the campaign already has the express support of more than 200 union, association, professional, cultural, scientific and business organizations which endorse the document supporting national technology which will be submitted to congress.

ABICOMP

According to Edson Fregni, president of the Brazilian Association of the Computer and Peripherals Industry (ABICOMP), "it is of extreme interest that the scientific community adopt a position in favor of the present informatics policy" because, he argued, "otherwise, it could appear that only those who are directly interested in maintaining the reserve, namely, national industry, were striving for it. Fortunately, the issue is being posed in a much broader sense: in support of national technology and not of industry pure and simple."

Fregni said that the current campaign began in October of last year--at the time of the meeting of the Brazil-U.S. Business Council at the Federation of Industries of the State of Sao Paulo. On that occasion, he explained,-- "ABICOMP, the Association of Data-Processing Professionals, the Brazilian Association of Informatics Companies, the Brazilian Computing Society, the Society of Users of Calculators and Subsidiary Equipment and the SBPC drafted a document in support of national technology which was presented to Minister Danilo Venturini. The bases of the document were the same as those of that campaign: support of national informatics policy."

According to the document, technology today represents an instrument by means of which the more advanced nations subject the underdeveloped countries to the condition of importers of sophisticated products, many times of questionable application. In exchange, they are left with the export of cheap manpower and their national resources. For this reason, the road to sovereignty necessarily requires technological emancipation. And only by means of technological competence of their own, will the less-developed nations be able to find solutions for the real national problems."

Antonio Octaviano, president of the Union of Engineers of the state of Sao Paulo, justifies the campaign, saying that there is a deliberate effort by the industrialized nations to characterize technology not as a cultural asset, which it is, but as merchandise, subject to commercial transactions. "Because it is a skill, technology is neither bought nor transferred but is developed by exercise and in practice."

Uncertainties

The organizers of the campaign consider that the greatest motive for all of that movement is the uncertainty for the investor in the area of informatics that the current policy is going to be maintained. "For this reason, a more specific regulation is necessary that will give the investor security and will guarantee the continuity of research in the area," declared Fregni.

"In addition," explained Octaviano, "that is an industry that has survived the years of prolonged recession. The reserved portion of the informatics market, which embraces the microcomputers and minicomputers, was always coveted by the foreign companies. That became even more evident with the latest thrust by the U.S. Government through its secretary of state, George Shultz."

For those reasons, Octaviano considers that it is becoming evident that without a legal definition, based on current legislation in the country, industry and technological research in the informatics area are traveling on a shaky ground of uncertainty about the continuity of government policy. "For that reason, we are raising the banner for converting national informatics policy into law through the national congress. That is our aim. For that reason, we have opened this ground so that broad segments of society may join in this campaign in behalf of the national interests."

Organizational Support

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Apr 84 p 8

[Text] The Campaign for National Technology in Informatics was launched yesterday with the participation of more than 200 organizations of the informatics, scientific and cultural, labor and liberal professional sectors, the area of communications, and teachers and students. The main purpose is to mobilize society to secure the conversion into law, by the national congress, of the market reserve for minicomputers and microcomputers designed and built in Brazil.

Present at the formal session held in the convention amphitheater of the University of Sao Paulo (USP) were Senator Severo Gomes (Brazilian Democratic Movement Party-PMDB), Federal Deputies Fernando Cunha, Odilon Salmoria and Alberto Goldman, all of them belonging to the PMDB, Jose Eudes (Workers Party-PT), the state secretary for industry and commerce, Einar Kock, who represented the Franco Montoro administration, and the president of the Brazilian Society for the Advancement of Science, Crodowaldo Pavan. More than 300 persons attended the ceremony.

National Campaign

The decision to unleash a campaign on a national scale was taken by a group of scientists, professionals and businessmen from the sector at the end of last year because of the growing volume of international pressures against the Brazilian Government, supported also by some congressmen and businessmen, to the effect that the government not maintain its national informatics policy.

Among the forces that also want an end to the reserve is the IMF. At the present time, the market reserve for minicomputers and microcomputers is regulated by a directive of the Special Secretariat for Informatics, which can be revoked by a unilateral decision of the Executive Branch.

Yesterday the organizations issued a manifesto in which they consider that "technology today represents an instrument by means of which the more advanced nations subject the underdeveloped countries to the many times questionable condition of importers of sophisticated products."

Cultural Asset

It states also that "there is a deliberate effort by the industrialized nations to characterize technology not as a cultural asset, which it is, but as merchandise subject to commercial transactions. Because it is a skill, technology is neither bought nor transferred but is developed by exercise and in practice."

Finally, the organizations expressed their support for the national informatics policy, "repudiating all domestic and foreign pressures that

seek to alter it" and propose the mobilization of "the whole nation, of the national congress in particular, for the urgent approval of legal provisions to permanently encourage and protect national technological development."

National Position

In his speech Crodowaldo Pavan pointed out that, 8 years after having begun the manufacture of computers in this country, national industry currently has 45 percent of the market, grossing approximately \$1 billion, "a forceful example of the importance of the university in national development and also of the capacity of industry, which did not contract any type of government subsidy or benefit during that period."

The president of the Brazilian Association of the Computer and Peripherals Industry (ABICOMP), Edson Fregni, observed that the campaign would be based on contacts with businessmen and in raising the awareness of the public. He added also that the sector is awaiting the publication of the bill that is being drafted by the Special Secretariat for Informatics (SEI) so that it can discuss its provisions together with scientific organizations, as promised by the head of the agency, Colonel Joubert Brizida. It is predicted that the bill will be forwarded to congress next month.

Government Preparing Bill

Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Apr 84 p 8

[Text] Brasilia--Senator Carlos Chiarelli (Social Democratic Party-PDS-Rio Grande do Sul) announced yesterday that the government is completing negotiations to forward to congress a bill that establishes a policy for the informatics sector; according to him, this will occur by 15 May. He made that clarification during a speech by Senator Henrique Santillo (PDS-Goiás), who was criticizing the lack of an official definition for the sector.

According to Chiarelli, the negotiations coordinated by the secretary of the National Security Council, Minister Danilo Venturini, involve businessmen from the sector, politicians and representatives of the scientific area. He added that the government bill seeks to establish a position for all phases of the production of equipment in the area of information and data transmission [telemática].

In his speech, Senator Henrique Santillo criticized the series of discussions that is being promoted by the economic committee of the senate, the chairman of which is Senator Roberto Campos (Social Democratic Party-PDS-Mato Grosso). According to the senator, the series of discussions merited criticism mainly because it selected as speakers persons whose positions are opposed to the policy of an informatics market reserve for Brazilian interests.

Santillo referred to the Informatics Symposium of the federal senate held in June of last year with the participation of representatives of all sectors

involved with informatics. He explained that the record of that meeting is at the disposal of the authorities to be consulted and thus serve as input for definition of a plan to establish the policy for the sector.

On the other hand, in the senator's opinion, the series now being promoted by the economic committee cannot assume that nature because it encompasses only one type of opinion on the issue. "I am pointing out," he said, "that this time our country will not accept unwholesome foreign interference which may come to hurt what we are setting up." Santillo declared also that the establishment of a policy for the sector must be the result of a broad national discussion.

8711

CSO: 5500/2037

FIRST COMPUTER COMMUNICATIONS NETWORK VIA SATELLITE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Mar 84 p 22

[Text] Sao Paulo--With an investment of 1 billion cruzeiros, the Itau Bank will put into operation on 31 July the first private communications network between computers via satellite (it will use the Intelsat IV-A satellite) which will serve the needs of the users who need to transmit large volumes of data between computers in a short time. Initially the operation will be conducted between the operational centers of Itau in Sao Paulo and Campinas.

After signing an agreement with the Brazilian Telecommunications Company (EMBRATEL) for the establishment of the pilot-project of the private communications network via satellite, the president of the Itau Bank, Olavo Setubal, explained that the principal aim of the program is to conduct tests and measurements that will enable the two companies (Itau and EMBRATEL) to evaluate the performance of satellite technology for the specific applications of data-communication between the bank's mainframe computers. "With this type of pilot-project, the Itau Bank is anticipating the launching of the Brazilian satellite--Brasilsat, scheduled for 1985, which will take over the operation."

According to Olavo Setubal, this pilot project will make it possible to better evaluate the equipment and software for data-communications via satellite, having in view utilization of the Brazilian satellite--Brasilsat--for establishment of Itau's private network.

The Itau Bank project will be conducted in two stages, involving the linking up of the computers in the main center in Sao Paulo with the computers installed in Campinas. In a second stage, the central computers in Sao Paulo will link up with those in Rio de Janeiro, using EMBRATEL's satellite station in Tangua.

Olavo Setubal yesterday again supported the market reserve in the information area, including its institutionalization by law. Although he did not agree with the positions of Senator Roberto Campos--who is against the reserve--the president of the Itau Bank declared that "he is rendering the country a great service in bringing the debate out in public. This is a great merit on the part of Roberto Campos."

He observed that he is against radicalization of the discussion about the informatics sector, stressing that "this is something belonging to an immature and underdeveloped country. After all, I do not believe and do not accept the argument of the good and the bad. This country is not made up of bandits and good guys."

Setubal asserted that informatics has already caused a division of opinion in the economic area because in the letter that the government sent to the ECF in September 1983, it pledged not to allocate a reserve and support its interests via customs tariffs. "This means that it is not only the PDS that is divided but also the economic and technical areas," he added.

8711

CSO: 5500/2037

DELAY IN METEOROLOGICAL DATA COLLECTION SATELLITE POSSIBLE

Rio de Janeiro O GLOBO in Portuguese 14 Mar 84 p 5

[Text] Sao Jose dos Campos--The minister-chief of the Armed Forces General Staff (EMFA), Brigadier Waldyr Vasconcellos, admitted in an interview yesterday that the country's economic situation may affect the Brazilian Complete Space Mission (MECB) and delay the launching of the first Brazilian satellite for the collection of meteorological data scheduled for 1989.

"The technological problem has been completely mastered," said the EMFA chief, "both in the area of the launcher developed by the Aerospace Technical Center and in the area of the satellite, developed by the Space Research Institute. It remains to be seen whether there will be enough money."

Waldyr Vasconcellos did not want to quote figures but he emphasized that only 10 percent of the space mission budget--\$250 million in 10 years--will be spent in foreign currency, representing the value of the importation components for the satellite-launching vehicle (VLS) and the satellite. According to the minister, after the signing of another agreement with the IMF, it became easier for Brazil to obtain foreign funds to invest in the space mission, but the biggest problem is domestic.

"The funds we lack the most are in national currency," he explained, "because of the country's economic difficulties."

According to a specialist from the Aerospace Technical Center, if the flow of funds in cruzeiros continue to be inadequate to proceed with the complete space mission at a normal pace, it will be necessary to increase the importation of foreign components so that the established timetable can be set. The minister-chief of the EMFA asserted, however, that the scheduled dates are confirmed, with the first launching of the satellite for the collection of meteorological data set for the end of 1989, meaning a target to be achieved.

"The most important thing to emphasize in the Brazilian space mission," stressed the minister, "is that Brazil today has a broad critical mass made up of youths with an average age of 30 years capable of developing advanced technologies that are applied in various sectors and with which the country is preparing itself for a very influential role in the development of the nation today and in the future.

8711

CSO: 5500/2037

REPORTAGE ON SITUATION OF NEWSPAPER ABC COLOR

Publisher Complies With Summons

PY301950 Asuncion ULTIMA HORA in Spanish 29 Mar 84 p 8

[Excerpts] To comply with the summons made by the head of the Public Order Department of the Asuncion Police, Inspector General Faustino Ramon Benitez, ABC COLOR publisher, Aldo Zuccolillo, this morning went to the police headquarters where he was informed about the most recent resolutions regarding his freedom and the operation of the [ABC COLOR] morning daily.

"All restrictions regarding the entrance of personnel [to the building] and my freedom, were lifted. We enjoy all guarantees so as to be able to operate, and inside the newspaper building the technical personnel may work normally; there are no restrictions whatsoever any longer," Mr Zuccolillo told ULTIMA HO'A after his interview with Inspector Benitez.

Regarding an eventual lifting of the suspension imposed on ABC COLOR, Mr Zuccolillo said: "We believe that this will be placed in the hands of the court. We have always hoped that justice will get moving, and if we actually have committed all the violations that are blamed on us, then it is only fair that we be punished by the law.... We hope that things are clarified and that ABC may reappear normally. I can assure you that the day it appears it will do so quietly, with neither a violent nor a submissive attitude, just like any normal newspaper, just seeking to help in the normalization of the country." In that regard, Zuccolillo gave assurances that, once the penalty is lifted, ABC will always maintain its style. "We are not free from making mistakes. We do not believe that we hold all the truth. But when we make mistakes, we do not make them maliciously," Zuccolillo stressed.

Interior Minister, IAPA Envoy Meet

PY300147 Asuncion ULTIMA HORA in Spanish 29 Mar 84 p 8

[Text] "The suspension of ABC COLOR is justified by the national Constitution and it is a temporary measure which the government may review whenever it deems appropriate. It was adopted considering that the newspaper's line was at odds with ethical principles and our legal system," Interior Minister Sabino Montanaro told Carlos Romero, IAPA [Inter-American Press Association] envoy, who was received by Minister Montanaro this morning.

The minister told ULTIMA HORA that the meeting was brief and cordial, and that Mr Romero made no special request, but only expressed concern over the government's decision. Mr Juan Carlos Romero, who is an Argentine citizen, was sent by the IAPA Press Freedom Commission to get background information on the ministerial resolution which ordered the closure of ABC for an indefinite period of time.

Before meeting with Montanaro, Romero talked with Aldo Zuccolillo, ABC publisher, who reported to him on the events leading up to the government's drastic measure.

It was learned that Zuccolillo and Romero also analyzed the situation of the social communications media in countries whose political systems restrict freedom of the press, so that actions to recover lost ground can be coordinated.

IAPA on ABC Closure

PY041439 Buenos Aires TELAM in Spanish 1236 GMT 4 Apr 84

[Excerpt] Buenos Aires, 4 Apr (TELAM)--IAPA has labeled the closure of the Paraguayan Daily ABC COLOR as the most serious violation of freedom of the press in the entire continent. The IAPA Press Freedom Commission headed by Juan Carlos Romero released a document in this capital, saying that the closure of ABC COLOR--strongly defended by Paraguayan Government officials--is more serious, because it is indefinite, than the closures suffered in the last few years by the Managua daily LA PRENSA by decision of the Sandinist officials, because LA PRENSA was able to reopen.

CSO: 5500/2038

BRIEFS

SUBDISTRICT COMMUNICATIONS PLANS--Pirojpur, March 23: Deputy Chief Martial Law Administrator and Minister for Communications Rear Admiral M A Khan today said that all upazilas in the country would be brought under telecommunications network within July next, reports BSS. Inaugurating a 400-line telephone exchange at Pirojpur at a cost of Taka 40 lakhs he said that 332 telephone exchange at upazila were set up so far and the rest 70 would be set up by July 1984. He said that in 1983 alone 93 telephone exchange were set up in the upazilas. The Rear Admiral expressed satisfaction as the exchange was set up by the local engineers and the equipment and cable used were Bangladeshi products. [Text] [Dhaka THE BANGLADESH TIMES in English 24 Mar 84 p 1]

CSO: 5500/7125

OMAN

BRIEFS

ERICSSON BUILDING MOBILE PHONE NET--Ericsson Radio Systems has received an order from the Telecommunications Authority in Oman for a large mobile telephone system. The order is worth 140 million kronor. The order includes an AXE exchange, 16 radio-base stations and 500 mobile units. Oman is the 13th country which has bought the Ericsson mobile telephone system. [Text]
[Stockholm DAGENS NYHETER in Swedish 28 Apr 84 p 8]

CSO: 5500/2666

SATELLITE PLANNED BY 1988

Islamabad THE MUSLIM in English 8 Apr 84 p 3

[Article by Pervez Kazi]

[Text]

ISLAMABAD, April. 7: Pakistan should be able to put a direct television and telecommunications satellite into orbit by 1988, if all goes well with the government's plan to do so, on which it is working in collaboration with a European company, 'Arianespace'.

Talking to 'The Muslim', Dr. Michel P. Glavany, General Manager Sales and Marketing of Arianespace for Asia and Latin America, said that if the order was placed in 1985, Pakistan's satellite could be put into orbit by 1988. The entire programme will be conducted under the aegis of SUPARCO. Dr. Glavany was here on a short visit.

The Pakistani satellite would be used for nationwide beaming of educational and entertainment television programmes, as also for improving telephone links.

When implemented, the programme, Dr. Glavany said, would make Pakistan one of the first countries in the Third World to have its own satellite in orbit. He opined that this would be a big step towards modernising internal

telecommunication in the country. Other Third World countries which had this facility were India, Indonesia and Brazil.

Arab countries hope to have their own satellites by 1985.

Dr. Glavany also disclosed that his company was the only other organisation besides NASA of the USA, which was in the business of helping in launching satellites.

As regards the cost of launching a space satellite, he said that it would be equivalent to the cost incurred on the U.S. launching of a space shuttle.

It is reliably learnt that the satellite project will be funded entirely by Pakistan through foreign exchange loans or grants.

Arianespace does not manufacture rockets for satellite launching, Dr. Glavany said.

Before coming to the Capital, Dr. Glavany said he had the opportunity of meeting Mr. Saleem Mehmood, Chairman of SUPARCO in Karachi, to discuss the satellite programme.

CSO: 5500/4719

COMMUNICATIONS MINISTER DISCUSSES TELEPHONE NETWORK

London AL-MAJALLAH in Arabic No 214, 17-23 Mar 84 pp 32-34

[Interview with Dr 'Alawi Darwish Kayyal, minister of communications by Khalid Muhammad Batirfi: "The Minister of 2 Million Telephones: 'Saudi Arabia Possesses the Best Communications Network in the World'"; in Riyadh, date not specified]

[Text] Communications do not merely consist of telephones, telexes, the post, and television or radio channels. The issue is much greater than that. When the United Nations chose 1983 as "the year of communications," it was giving international recognition to the value and role of communications in building civilizations and developing societies, and even in the process of making fateful decisions of decisive importance in the life of peoples. War might break out because of poor communications between one leader and another. Peace might be strengthened because a telephone hotline removed a misunderstanding and thereby put a stop to possible resultant dangers and tragedies. The Saudi experiment--as the president of the International Communications Federation put it--"is a world-class model that is being imitated and has been characterized by great effort and excessive swiftness of achievement in a manner unprecedented in any other place during the past decades. This experiment was recently strengthened when Dr 'Alawi Darwish Kayyal, the Saudi minister of telegraph, postal, and telephone communications, signed an agreement for the laying of the biggest undersea cable in the history of the world. It will be 15,000 kilometers long and extend from Singapore to the city of Marseille in southern France. Along the way, there will be major stations on three continents: Indonesia, Colombo, Sri Lanka and Jiddah in Asia; Djibouti, Suez and Alexandria in Africa; and Italy and France in Europe. From there, it will be connected by means of other, similar projects to North America, South America, and Australia, so that the entire world, with its six populated continents, will be connected by "secure" undersea cables for telephone, telex, television, and radio communications.

On this occasion, AL-MAJALLAH met with Dr 'Alawi Darwish Kayyal so that he could talk about the experience of Saudi communications during the last 8 years, which is how long ago his ministry was established, in the last Saudi ministerial formation in 1975.

Our meeting took place in the office of Minister Kayyal on the 14th floor of the main building in the communications complex or "city" in the Saudi capital of Riyadh. This "city" is one of the large complexes that the ministry has established in all the main cities of Saudi Arabia, in order to contain the entire communications infrastructure and its main offices. At the beginning, Dr Kayyal spoke about the philosophy of communications as a way of introducing his remarks on the Saudi experience in this area. He said:

[Answer] I am very concerned about having the Arab readership understand the role of communications in the development of societies. Economically speaking, no economic experiment in any developing country can succeed without the provision of good communications for businessmen, both inside the country and with the world. Politically speaking, the political decision-makers must be provided with the means of rapid communications, so that they will have the information they want before they make their decisions. Sociologically speaking, we cannot convince people from the villages who have a practical relationship with the city to stay in the villages and refrain from migrating to the cities as long as we do not provide them with a telephone, telex, and mail system, so that they will not have to travel constantly. Such travel makes them tired, and so they finally settle in the cities. In terms of development, we must provide the men engaged in construction and development in the country with flexible, easy, facile communications, so that they will be able to do their jobs quickly and well. Access to information and communications with different parties must be facilitated, as must follow-up and supervision. If you were to provide a telephone to each residential or office unit, you would find that the flow of transportation in the cities would fall by half at least. The simple reason is that you would have reduced the need for transportation by replacing organic transportation of information with transport by wire or wireless transmission. Communications today have become one of the standards of progress and civilization. The country that has a high level of communications and provides the means of communication to all is advanced and civilized. Therefore, the Kingdom of Saudi Arabia decided to affiliate itself with the most advanced societies and civilizations by adopting the most advanced methods and means of communications and providing and making them available to every decision-maker, from the head of the family to businessmen and the country's political leaders. I believe that in order to achieve this goal, we have traversed a distance for which others envy us.

[Question] In order to modernize its means of communications, Saudi Arabia has linked up with a chain of satellites. At the same time, it is using microwaves and coaxial (ground) cables for the same goal. Now the time has come for undersea cables. Why all this "multiplication"?

[Answer] Because the goal is to build a communications system that depends on an advanced network consisting of various alternatives so that, with God's permission, we can make sure that communications will not be broken, cut, or become crowded for any reason whatsoever. Today, Saudi Arabia is able to assure the success of your telephone call on the first try with a 98 percent probability. This is the highest ration in the world in the

history of telephone communications. The reason is that if you try to call from Jiddah, for example, in order to reach some number in Riyadh, while the line between Jiddah and Riyadh at that split second is busy, the "National Telephone Control Center" in Riyadh will transfer your call automatically to an alternate line through another city. Thus, the line might be Jiddah-Abha-Riyadh, or Jiddah-Makkah-Riyadh, or Jiddah-al-Ta'if-Riyadh. This transfer through four alternate lines takes place in fractions of a second, so that you do not notice it at all. Moreover--God forbid--if a breakdown were to occur in the microwave network, the satellites would solve the problem. If a malfunction were to occur in communications via the satellites, then the ground cable would solve the problem. If a malfunction occurred in the ground cable, then the undersea cable would help to solve the problem. That is, you have a network rich in channels, alternatives, and choices, and your call is assured of being completed on the first try with a 98 percent probability. Your letter is sure to arrive within 24 to 48 hours--at the most--at any place in the country. Your telex machine, which represents the most modern generation of telex equipment in the world, is guaranteed to be able to connect you with any place whatsoever with the greatest ease, just as simply as it was installed. This is the greatest achievement of the Saudi experiment.

The National Control Center

[Question] In your response, you made mention of the National Telephone Control Center. Have we talked about this center?

[Answer] This center is one of the stories of the Saudi communications experience. With no more employees than you have fingers on your hand, I can use this center, which is outfitted with a computer and advanced electronic equipment, to administer the communications network with all its complexities and oversee the calls made on 1.2 million telephones in the kingdom. This number will rise to 2.2 million telephones during the fourth 5-year plan. I can make sure that they will be completed on the first try, and I can discover any malfunctions in the network or any crowding on the domestic or foreign lines. I can also provide solutions, contact the maintenance teams, and follow all operations to maintain and repair the malfunctioning lines and open the bottleneck in the crowded lines second-by-second. Is that not marvelous?

[Question] Who administers this center? What is the percentage of Saudi workers in this ministry?

[Answer] We have an advanced training institute in Riyadh. So far, most of our workers in the National Control Center have been Saudis. It suffices to say that the director of the center is a young Saudi engineer who took part in building and completing it step-by-step. He is Engineer Tariq Bilkhuyur. In general, there are 30,000 workers in the ministry's various installations, of whom some 65 percent are now Saudis. This amounts to 17,000 well trained Saudis with high-level scientific diplomas

(specialized degrees: baccalaureates, master's degrees, and doctorates). In addition, we offer specialized training courses and intensive practical and field experience.

[Question] To what extent is it possible to use the communications network to perform more advanced and developed services?

[Answer] The limits are very wide indeed. For example, we are currently using the telephone network to perform some small but important services. For example, it will soon be possible for you to transfer calls you may be waiting for on your private telephone to any other place you may be. If you go to visit a friend, for example, it will be possible for you to register the number of his telephone on yours, in order to have all your calls transferred to you on your friend's telephone. You will also be able to register a certain appointment on the telephone, so that it will wake you up or remind you of the appointment. There is something of greater importance than all that. It is the field of "information banks." Currently, contacts are underway with the most important information banks in the world. We are trying to develop the telephone network so that its users will be able to communicate with the information banks in the world and ask for any information they need, concerning prices of currencies, for example, or of gold and food and grain commodities as well as air and boat transportation and the movement of stocks. In addition, one will be able to get medical, technical, technological, and private advice. Indeed, by outfitting your telephone with a certain "facsimile" device, you will be able to receive a blueprint of your building or villa with all the details of its construction by merely giving the bank general information about the land and the required specifications! With respect to the telex, we have succeeded in popularizing the modern telex (Arabic-English). We are currently trying to manipulate the telex network so that it will be possible to add a television screen to your telex device in order to register, correct, and amend messages. Then, after you have settled on its final form, you will press a button and the message will be transferred anywhere in the world immediately!

Developing the "Mobile Telephone"

[Question] What about the mobile telephone?

[Answer] The mobile telephones currently present in Saudi Arabia are of the most advanced type in the world. We are currently trying to develop its services to the highest degree possible and make it available to all. Currently, you can use your mounted telephone in any other city. In the western region, you can even use this kind of telephone on the long roads between the cities. We are currently carrying out a plan to expand coverage of the long roads in the various regions of the Kingdom. We will begin with the most important lines, such as the Riyadh-al-Ta'if line, the line between Riyadh and Dammam, the Jiddah-al-Madinah line, and the al-Ta'if-Abha line.

[Question] Some of the problems with the mobile telephone are its expensive price, its unavailability, and the fact that normal radios pick up its calls. How do you think it is possible to deal with these faults?

[Answer] With respect to its high cost (67,000 riyals), a study is being conducted on how to lower it. With respect to its availability, the current plan is to increase the number of lines to 18,000, and our plan for the future is to increase this figure to 40,000 lines, for the entire kingdom. With respect to the fact that radios pick up the calls, we are currently trying to "encode" the wireless vibrations so that it will not be possible for any radio to pick them up, normal or otherwise.

[Question] At present, some 300 cities and villages in Saudi Arabia are reached by telephone and telex services. What will this number be as a result of the programs of the fourth 5-year plan?

[Answer] It will be 900 towns and villages. That is, there will be a threefold increase within only 5 years, with God's permission. There is something else more wonderful still. Scientists in the field of telephonic communications have devised something called the "rural communications" system. This system can be applied in a mountainous region with many villages, like the al-Bahah region, which contains 3000 villages, most of which have a population of no more than 50 persons. That is, each village hold one or two families. If I were to think about providing telephone service to these villages by using the traditional methods, I would end up expending a lot of money and effort without any economic gain. However, according to the new system, all I have to do is put a microwave dish on one mountain and a receiving dish on another. In the entire region lying between these two dishes, it will be possible for the population to install cordless telephones, just as they install televisions!

Using the First Class Mail

[Question] We still have to ask you about the mail, and about first class mail in particular.

[Answer] In accordance with the decision of the cabinet and the agreements with the states of the Gulf Cooperation Council (GCC), we have adopted the system of first-class mail between the kingdom, the Gulf region, and some countries in Europe, America, and Asia. We are now making arrangements to conclude bilateral treaties with both the United States and Canada in order to apply this system. Then, with God's permission, we will begin with other treaties with various countries of the world with which we have strong ties.

[Question] How about internally?

[Answer] Internally, we are making arrangements to make first class mail service widely available between all the cities of the kingdom. The prices of first class mail services will be competitive with those of other,

currently operating companies. We will deliver for only 50 riyals a package that a rapid transport company would deliver for 500 riyals.

[Question] We have heard that the communications infrastructure is going to be change into a public corporation.

[Answer] A study of this matter is being done. The indicators show that it would be a positive thing to transform the telephone, telegraph, and postal infrastructure into a public corporation, especially since it is extremely profitable. Suffice it to say that its income for the past year amounted to 4 billion riyals.

[Question] We have also heard that there is a trend toward lowering the cost of international calls, and another toward paying telephone and telex bills through local banks.

[Answer] All you have heard is correct. There is a trend toward making agreements with some countries with whom we share unused circuits. Moreover, countries like Britain will lower the cost per minute. Thus, we will be able to raise the number of calls and operate the unused circuits. Consequently, we will achieve larger profits. At the same time, the customer's bill will be lowered. That is, this is a profitable operation for all. With respect to payment via banks, the subject is currently being studied in conjunction with the concerned parties, so that we can determine the method and the banks with which we will reach agreements.

[Question] What is intended for the coastal stations?

[Answer] The coastal stations were set up with the goal of facilitating communications by virtue of the fact that the stations reach our territorial waters. Travelers and traders can easily communicate by telephone from shipboard with their offices, homes or friends. The same is true if one is on dry land and wishes to communicate with someone on board a ship. The most beautiful thing about our experiment is that all of our networks were implemented at once, as part of a single plan. We are happy and proud because of this integration.

[Question] What is the latest news about the Arab satellite and the complaint lodged with the International Communications Federation against Israel's efforts to interfere with it?

[Answer] Our problem with Israel is that it has chosen an orbit and a transmission strength for its satellite that affect us negatively. Of course, this is a violation of international law and treaties. Therefore, we have submitted a protest backed by factual evidence to the International Federation, which has the right and ability to compel Israel to avoid harming the Arab satellite.

Joint Transmission

[Question] People have been asking themselves a question of importance with respect to themselves. Can a person watching television in an Arab country watch television programs from other Arab countries and the countries of the world?

[Answer] Of course not, because the process consists of sending and receiving. Two states must agree to have certain programs sent by one side and received by the other. This is true for both the Arab countries and the other nations of the world.

[Question] Will the telephone channels made available through the Arab satellite facilitate and increase the capacity of communications between the Arab countries?

[Answer] To a certain extent, because the satellite increases the communications channels between two countries. However, it does not provide communications lines within these countries. That is, I possess an advanced, broad network in the kingdom, and the satellite will provide me with advanced and broad communications circuits. However, if I contact another country whose telephone network is larger than the limited number of international channels, then this means that the problem will remain unchanged.

[Question] Then what is the value of the Arab satellite?

[Answer] Its value is that it at least provides the possibility of communicating between countries. We in the Arab states still have to try to modernize our internal networks, in order to benefit from this potential. Moreover, there are many other benefits. The television and radio channels allow countries to transmit and receive events live on the air. The exchange of programs and bilateral and collective treaties allow joint reception for station transmission. With God's permission, this will happen with the Gulf countries. In each Gulf state, we will be able to receive the transmissions of other Gulf stations.

[Question] Dr 'Alawi, how far are you still from the dream?

[Answer] Quite a distance. It is not enough for me to be able to communicate with 145 countries. Neither is it enough that I have established ground networks of coaxial cables and microwaves connecting the country with the Gulf states, the Yemen Arab Republic, the Sudan, Jordan, and Egypt. It is not enough that there are 1.2 million telephones and 30,000 telexes. Neither is it enough that I have provided telephone and telex services to 300 towns and villages. Indeed, it is not sufficient that I have provided 10 telephones for every 100 inhabitants, for I know that

Sweden has provided 83 telephones for every 100 inhabitants, while America has provided 78 and Canada has provided 70. We want the best, and we are not satisfied to see any country provide more to its citizenry in the way of services. Therefore, the Saudi experiment will continue, with God's permission. It shall continue to pursue its ambitions until it achieves all the dreams of the guardian of the country's renaissance, King Fahd, as well as the dreams of its citizens.

12224

CS0: 5500/4509

GOVERNMENT ACCUSED OF ALLOWING SABC TO BECOME 'LAW UNTO ITSELF'

Johannesburg THE STAR in English 18 Apr 84 p 2M

[Text]

CAPE TOWN — Mr Joel Mervia, official representative in South Africa of the International Press Institute, said yesterday the Government had allowed South Africa's broadcasting authority to become "a law unto itself, in that the rules that bind the Press are cynically spurned by the SABC".

Mr Mervia, a former editor of the Sunday Times, was commenting on the findings of the SA Media Council on a complaint by the Jockey Club of SA against the manner of presentation of a feature on alleged corruption and malpractices in horse racing, in the "Mid-week" programme televised on February 1.

"There have been hundreds of protests against the SABC's blatant bias and slanted reporting," he said.

"These protests have been treated with contempt by the Government and by the bosses of the SABC."

He said Mr Justice G Hoexter, whose findings in an inquiry into South Africa's judicial system were tabled in Parliament recently, should now be invited to investigate the SABC.

If he did so, he was "likely to open a can of worms just as unpleasant as the one he found during his inquiry into the administration of justice".

"That is the clear message to be drawn from the Media Council's findings on the complaint by the Jockey Club."

In its findings, a six-member committee of the Media Council — under the chairmanship of Mr Justice Louis van Winsen — held the SABC responsible for the manner in which the "Mid-week" feature was presented which, it said, fell "lamentably short" of the standards of fairness and balance subscribed to in the Press Code of Conduct.

NO RESPONSE TO INVITATION

Mr Justice van Winsen noted in his report that the SABC:

- Had refused to subject itself to the jurisdiction of the Media Council.
- Had not responded to an invitation to send an observer to the hearing of the complaint in Johannesburg last month, which was open to the public.
- Had not responded to an invitation to make verbal or written representations to the Media Council.

Mr Mervia commented: "It would be quite wrong to put the chief blame on the reporters and producers of the TV programme, which turned out to be a one-sided condemnation of the Jockey Club."

"The blame rests fairly and squarely on the Gov-

ernment, which has openly condoned, and even encouraged, the prejudices and partisanship of the SABC."

Mr Dave Dalling, the Progressive Federal Party's spokesman on the media, said of the Media Council's findings:

"By ignoring the Media Council, by refusing to submit to its jurisdiction, by not subscribing to a code of conduct which binds the newspapers of South Africa and other communicators, the SABC deems itself to be a law on its own."

"Unless the corporation voluntarily agrees to submit itself to the jurisdiction of the Media Council there will be a strong case to be made in Parliament for calling on the Government to introduce legislation forcing the SABC to fall in line with the restrictions placed on all other communicators." — Sapa.

MEMO SHOWS SABC IS 'PROPAGANDA ARM'

Johannesburg RAND DAILY MAIL in English 18 Apr 84 p 5

[Article by J. Manuel Correia]

[Text]

AN SABC internal memorandum which reached the Press by mistake yesterday shows "the SABC is no more than an additional arm of Government propaganda", the Progressive Federal Party says.

The memorandum gives guidelines for promoting the Government's new constitutional dispensation among blacks by expanding radio services.

And asked yesterday if the memo meant the SABC admitted to being used to promote the policy of the Nationalist Government, an SABC spokesman said: "The memo is merely a statement of the realities of the South African situation and against this background we must supply the services where most of our listeners are congregated."

The spokesman added that the memo had not been meant for circulation to the Press. He could not say who had been responsible for the embarrassing gaffe.

The director-general of the corporation, Mr Riaan Eksteen, is overseas and was not available for comment.

The media spokesman for the PFP, Mr David Dalling, said yesterday he would raise the matter in Parliament.

"That the SABC is no more than an additional arm of Government propaganda is laid bare by the memorandum which has now been exposed."

The SABC constantly pleads its independence and yet, by its actions month

after month proves its total subservience to Nationalist ideology.

"Normally in most democratic societies the revelation of such a memo would create shock and anger. However, South Africans are becoming so inured to political chicanery that the memo will probably hardly cause a ripple — which is a commentary on the state of political corruption in everything the Nationalists touch."

The memo, dated April 11, is headed: Radio Services in Black Languages. Complete Radio Coverage.

"Through differentiation and decentralisation, the new constitutional dispensation in the RSA allows for a heterogeneous population within the framework of a constellation of Southern African States.

"This would mean changes in almost all fields, which would decidedly necessitate adjustments.

"These adjustments could only be made efficiently and with as little disorganisation as possible in the correct educational, guiding and informative atmosphere, and in this role the radio is indispensable," the memo reads.

"Some expansion has therefore become necessary, such as a wider coverage of all nine of the Black language groups.

"The listeners of only two of the nine services enjoy complete coverage in the PWV area. The matter is therefore receiving attention as far as the expansion of the other services is concerned in order to at least be able to cover the

Witwatersrand area initially.

"In the meantime, the necessary approval has been obtained to place transmitters into operation as follows — four at Broadcasting Centre, Johannesburg, one at Maraisburg and two at Welgedacht."

● Radio Tsonga: An FM transmitter on top of the Piet Meyer Building is to start transmission to the Witwatersrand area on May 1.

● Radio Tswana: The envisaged FM transmitter (medium power) on the Piet Meyer building takes the air on May 1.

● Radio Xhosa: The needs of listeners in the Witwatersrand area, says the memo, are met by an FM transmitter (medium power) on the Piet Meyer Building. It will also start transmitting on May 1.

● Radio Lebowa: An FM transmitter (medium power) for Witwatersrand listeners will start transmitting on May 1.

● Radio Venda: For the Witwatersrand area low-power medium-wave transmitters at Maraisburg will go on the air on May 1.

● Radio Swazi and Radio Ndebele: These listeners, says the memo, have no reception in the Witwatersrand area and the situation will change on May 1 for Swazi listeners and on the same day for South Ndebele listeners when low-power medium wave transmitters at Welgedacht take to the air.

● Radio Lotus: The Radio Lotus transmitter will be available ahead of time but at the request of the programme director, commercial services will not be put into operation before August 1.

MORE TV STATIONS ON WAY, SAYS DISSEL

Johannesburg THE STAR in English 7 Apr 84 p 12

[Article by Malcolm Fothergill]

[Text]

By the end of this decade, white South Africa will have at least three or four new television stations.

That's the prediction from BBDO's South African chairman, Mr Derrick Dissel, who believes the number of black TV stations will also mushroom.

"It's inevitable we will see a second white channel soon — perhaps, as has been suggested, as a joint venture between the SABC and members of the Newspaper Press Union.

"TVI's time is completely sold out and there has never been a situation where demand for something has consistently exceeded supply without the supply increasing."

Mr Dissel believes a break into videos and a rapid spread of electronic media such as Beltel and cable and satellite TV are inevitable.

He predicts 1984 will be a low-key year for the industry, producing a growth rate in nominal terms of perhaps 15 percent.

"I have tremendous confidence in the latter part of this year and in 1985. All the signs indicate that the economy will lift off.

"Advertisers and marketers who take advantage of the lull before the storm, investing more in advertising now to capture more of the market, will be in a hugely advantageous position when the upswing comes."

Times are tough for advertising agencies at the moment.

Not only has the economic downturn caused many advertisers to trim budgets, but the Government's decision to impose general sales tax on advertising has chewed big chunks out of agencies' earnings.

Adding to the woes of an industry that traditionally works on slim margins has been the fact that the number of agencies competing in the market place has multiplied since 1982.

"From 60 to 70 agencies in 1982, the industry has grown to something like 160 to 170 agencies now," says Mr Dissel.

Although the bigger agencies seem secure, he adds, many smaller outfits seem likely to be swallowed up or forced to the wall, victims of the constant restructuring that goes on at the smaller end of the industry.

BBDO, though suffering as much as the next agency from recession and GST, has its attention fixed at the moment not so much on the economy as on its new premises at Kramerville.

The premises will be divided into two sections, a high-security area where the staff will work and an area for meetings with clients.

Features will include parking for well over 300 cars, squash courts, a swimming pool and a gymnasium.

"In the agency world people work long, odd hours, under a tremendous amount of stress," says Mr Dissel.

"We've been coping by counselling and so on, and the exercise facilities are a move in the same direction.

"I hope everyone will be using them throughout the day."

Mr Dissel, who trained as an architect, took a part-time job in an advertising agency in 1951 and three months later knew he was hooked.

In 1972 he and four others founded the oddly named BD/STV agency.

Two years later, when the American BBDO agency wanted to buy a share-

holding in a South African firm as part of its world-wide expansion plans, BD/STV fitted the bill.

The agency, which took the name of the American outfit, is now either No 1 or No 2 in South Africa, depending on which criteria one uses.

"We have some plans for expansion, but it'll be six months before I can talk about them," says Mr Dissel. "They will not necessarily involve acquisitions."

Mr Dissel believes there is no optimum size for an advertising agency. "The small guy tends to come up with the bold, audacious advertising, but he doesn't have the back-up facilities the bigger firm has.

"In the middle are the chaps at the difficult stage, between being small and audacious and bigger and less innovative.

"One of my constant quests at BBDO is to search for that small, 'hot shop' creativity.

"An anomaly is that we tend to attract clients who like our advertising, which means 'hot shop' ads often don't make it."

CSO: 5500/66

SUCCESS OF ALTECH GROUP REPORTED

Johannesburg SUNDAY TIMES BUSINESS TIMES in English 14 Apr 84 p 10

[Article by Elizabeth Rouse]

[Text]

THE Altech group promises an exciting ride for investors — another profit surge this year as acquisitions are integrated.

There is also a major acquisition abroad in the offing.

Having taken on the electronics internationals so successfully on home ground, the group is looking for foreign contracts and investigating overseas investments.

Altech is in a strong position after 18 years of record sales and earnings, has top technological and manufacturing capability and cash in the bank.

Consistent

Chairman Bill Venter can rightfully claim that investors have been rewarded with consistency in earnings growth — an average annual 33% — a record unmatched in the electrical and electronics industry.

On the home front, Altech is aiming for sales of R700-million, an increase of almost 70% on 1983's R410-million. ASEA Electric's sales and profits will probably be unchanged, but integration of the Fintec-Litemaster Group and African Electric should boost profits.

The order book stood at R320,7-million at the end of 1983 compared with R265,9-million at the end of 1982.

Anglo link

The link with Anglo American, which has a 20% interest in Altech, gives the group an entree to overseas markets. A R300-million tender has been submitted to the Israeli Post Office.

Altech's chances of winning the contract are good because of its expertise in telecommunications equipment. Having opened its Teltech R35-million electronic telephone exchange factory last year, a R6-million optical fibre plant will be built in Boksburg this year.

Mr Venter forecasts a conservative 20% earnings increase for this year. That means that dividend growth will be slower than the past year's 30% lift to 104c from 80c.

Prospective yield cannot be more than 2%, the market having discounted growth far into the future.

—

POWER Technologies, the power-generation company in the Altech stable, is aiming for turnover of R280-million after the past year's R103,6-million.

It has the potential to become as powerful as Altech with its absorption of ASEA and the Litemaster/African Electric group. Management put Willard Batteries right and the plant is running at capacity.

AEI SEEKS MICRO-ELECTRONICS LEADERSHIP

Johannesburg RAND DAILY MAIL in English 10 Apr 84 p 14

[Article by Berenice Margolis]

[Text]

REUNERT is planning to establish leadership in the micro-electronics industry through its subsidiary, AEI Henley Africa

Altech, Siemens and Plessey are its major competitors.

"We took the quantum leap from electro-mechanics to electronics in 1977. Now, as part of Reunert, barriers have been dismantled and we can undertake turnkey projects in and out of South Africa," says Mr Tony Bray, AEI's managing director.

AEI, a major importer of telecommunications equipment, will "bust a gut" to become a force in the export market.

"The South African micro-electronics industry has changed significantly and we want to be part of that change through new processes and constant updating."

Much of the technology has been accessed from Israel. AEI spends about 10% of its annual turnover on research and development.

Joint ventures have enhanced basic products. Integrated circuits, developed in South Africa, have applications in Israel.

AEI is exploring other areas of collaboration, such as using Israel as a springboard from which to export South African products to the European Economic Community and other

selected markets.

"We have to define our product segment in the marketplace. First on the list is Latin America and parts of Asia. Research on these regions is now being analysed.

"Compliance with foreign administrative conditions is another important aspect of export. The cost of adapting machinery must be recovered.

"You need to know the various areas and go for them. We have identified tremendous export potential in the field of micro-electronics."

Mr Bray says a growth rate in real terms in micro-electronics is between 30% and 40% a year.

CSO: 5500/66

CUSTOMIZED MICROCHIP DESIGN CENTER PLANNED

Johannesburg, SUNDAY TIMES-BUSINESS TIMES in English 15 Apr 84 p 40

[Article by Kerry Clarke and Barry Sergeant]

[Text]

SOUTH Africa's R2 500-million electronics industry is to get a customised microchip design centre. The participants hope to bring SA's efforts in this form of technology up to world standards.

The plant to make the chips is at Koedoespoort, Pretoria, and is owned by SAMES (South African Micro Electronic Systems). A new company, ICDC (Integrated Circuit Design Centre), is being formed at a cost of R12.5-million.

The SAMES plant, which cost R12.5-million three years ago, was built for strategic reasons and is losing money. It is a joint venture between the Industrial Development Corporation and Siemens.

Negotiations now under way involve the formation of SAMES Holdings, of which ICDC will be a subsidiary.

Structure

Seven of SA's biggest electronics firms are involved in the discussions — Siemens, Reunert Information Systems, Altech, Plessey, Telephone Manufacturers (TMSA), Federale Volksbeleggings and Grinaker Electronics Holdings.

The proposed structure for SAMES Holdings is 12% each for the first five companies, 6% for Fed Volks and 4% for Grinaker. The IDC would take the balance of 30%. The

shares would be paid for over five years.

The R12.5-million will be spent on upgrading SAMES processing with new UK software, new programmes for the design centre from Belgium and the UK, and salaries and expenses for staff. No profits are envisaged for at least five years.

Discussions involve plans for ICDC to supply semi-customised and fully customised microchips to electronics companies, replacing certain imports that are in serious short supply. Three-month backlogs are being experienced in overseas chip markets and prices are rising.

Commitment

The proposed shareholding structure could well change in the months ahead as Altech has not agreed in principle to join the project. Director Ken Maud says Altech has been considering establishment of a manufacturing facility for some time. ICDC is one of the possibilities.

One of the parties with a firm commitment is Grinaker Electronics Holdings. Chief executive Tienie Steyn believes his company will be able to use the centre for its high-technology equipment. It has discussed a design with the centre's future management.

Mr Steyn says: "The chips will be expensive, but in our kind of business we could replace as many as 100 standard chips with a single tailored chip and the process would ultimately be cost ef-

fective.

"I don't think anyone is going into this venture with a view to it being profitable within the next 10 years. We realise the strategic necessity of the project.

TMSA's managing director, Fred Williams, says the centre will not eliminate his company's need for imports.

"We will buy specialist chips from the centre for our telephone instruments and exchange equipment. Whether these chips will be more expensive than components bought overseas will depend on the centre and what part the Government takes in the project."

Doug Eyre, chief executive of the Reunert Information Systems computer group, BarlowData, says the design centre is in line with emerging Government policy to move away from import substitution to export opportunities.

Survival

The Minister of Posts and Telecommunications, Lapa Munnik, says investment in the electronics components industry is one of the principal routes to South Africa's survival as a trading nation.

The BarlowData group is being restructured, its three manufacturing companies — Andromeda, Saco and Advantech — being incorporated in a division called Specialist, which will take advantage of the new chip design facility.

BRIEFS

EPSON'S COMPUTER MARKET AIM--EPSON, claiming to have 30% of the South African computer printer market, Epson is now aiming for 60%. "I am certain we will achieve our target," says Mr M Sakisaka, Epson UK's chief executive. "Epson worldwide has achieved its aim of number one position in the printer market. Currently we hold 40% of the US market and over 60% of the European. "We aim to see the South African penetration at the same level as Europe before the end of the year," he said on a visit to Johannesburg. Epson also aimed to achieve a major share of the portable computer market. "The computer industry world is undergoing a period of major growth. Apart from the replacement of much of the original hardware, we are seeing new markets opening up. 'South Africa has been quick to realise the potential of computers and their increasing value to commerce and industry. You have many unique problems--long lines of communication, shortages of qualified personnel and so on--which the computer can alleviate to a large extent." [Text] [Johannesburg RAND DAILY MAIL in English 17 Apr 84 p 6]

TRANSKEI SEEKS RADIO ASSISTANCE--JOHANNESBURG--The Transkei Government is reliably understood to have requested the South African Department of Foreign Affairs and the SABC to provide technical assistance to ensure good reception for Capital Radio on the Reef. Because Transkei, like Bophuthatswana, is not internationally recognised, it is dependent on the good graces of South Africa for airwaves and for technical assistance from the SABC, which in turn has facilities in Transkei. [Text] [East London DAILY DISPATCH in English 5 Apr 84 p 4]

CSO: 3500/66

TELECOM-1 COMPLETES TESTING, TO BE LAUNCHED MID-JULY

Paris AFP SCIENCES in French 22 Mar 84 pp 18, 19, 22

[Text] Toulouse - "Telecom-1," the first French commercial communications satellite, successfully completed its "space qualification phase" in late February, MATRA company officials reported on 16 March in Toulouse. MATRA produces the satellite.

After a final series of "adjustment and last-minute alterations," the first flying model was to be sent to the Guyana space center in Kourou "around the 1st of June" for a launching scheduled for mid-July aboard the "Ariane" rocket which will simultaneously put into orbit "ECS-2," the second satellite belonging to the European Satellite Communication Organization "Eutelsat."

MATRA, and Thomson-CSF, producer of the "payload" (electronics equipment), will later supply two more flying models to the DGT General Directorate of Telecommunication, responsible for implementing and financing the program. One will be launched in the first quarter of 1985 and the other will remain on the ground as a backup satellite.

Mr Colin de Verdiere, head of the Telecom-1 program at the DGT, stated that twenty transmitting and receiving earth stations will be set up in France beginning in September. They will be set up in "all centers where the number of potential customers is significant, including the Toulouse area." Others will follow quickly, both in France and in bordering countries likely to be reached by the satellite and, he stated, about 50 should be ready by the end of the year.

Plans are currently being made to set up 150 of these stations altogether. A number smaller by half, Mr Colin de Verdiere acknowledged, than the initial forecasts made when the program was launched in 1979. But, he stressed, this difference is not attributable to a downward reappraisal of the satellite's utilization. The number of subscribers will probably, according to him, be the same, thanks to a denser earth network for each station.

Mr Louis Mexandeau, PTT minister, who presided over a press conference dedicated to the "Telecom-1" program on 16 March in Toulouse, was pleased with

the consistency with which things have taken place." He gave no indication as to the number of firms interested in the possibilities offered by "Telecom-1," limiting himself to stating that "an extremely vigorous promotion campaign will be launched to increase the number of customers."

The minister recalled further that the government had decided to equip 300 theaters this year for video-transmission, which will be able to utilize the "Telecom-1" satellite.

Established in 1979, the "Telecom-1" program is directed and financed by the DGT based on a budget of around 3 billion francs (1979), including 600 million francs for the 3 satellites (approximately 900 million francs in 1984).

The "Telecom-1" system will offer 4 kinds of service: high-throughput intrafirm communication; supplying television or video-film programs to cable networks and specialized locations; supplying telephonic communications and television programs from France to French territories overseas; and transmittal of government communications.

Intrafirm traffic constitutes Telecom-1's basic mission, the one determining the major features of the system. It will operate on the 12/14 GHz band and run 5 repeaters of 36 MHz useful band width which will be able to handle 25 MBIT/s each, i.e. approximately 370 channels at 64 KBIT/S.

It will primarily allow for the forwarding of electronic mail and more generally for hookup of office automation terminals, transfer of data sets between computers, development of the video-conference and press facsimile for remote control newspaper printing.

Users will have a choice of variable throughputs in time starting with 32 KBIT/S to 2 MBIT/S thanks to a time division multiple access system. The ground segment will consist of stations equipped with fixed antennas 3.5 meters in diameter. This service will be marketed by "France Cables et Radio."

A repeater is planned in addition for videotransmission of coverages, films and special events to cable network subscribers and theaters equipped with video-projectors. Earth reception antennas will be 1.8 to 2.3 meters in diameter.

The handling of telephone traffic and French TV programs in French territories overseas, which now pass over Intelsat and Symphonie, will be handled by 4 repeaters in the 6/6 GHz band. Each repeater will be able to handle one TV program or 1,000 telephone lines. Earth stations will be those with existing Intelsat-B antennas (11.8 meters in diameter) and will have frequency division multiple access.

The government's task will be handled by 2 repeaters on the 8/7 GHz band.

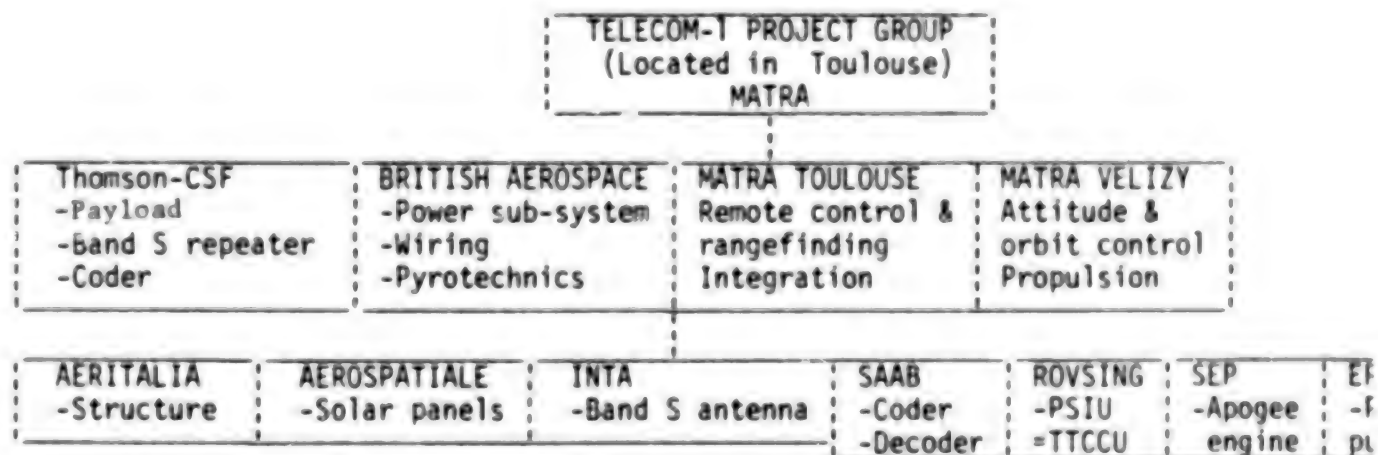
Control and on-station maintenance of the satellite will be handled by a station operated by the National Center for Space Studies in Toulouse (southern France). The "station of reference" and the system's administrative center, managed by the DGT, will be set up at Mulhouse (eastern France).

Like "Marecs-A" (maritime communications, launched in December '81) and "ECS-1", (civilian communications, launched in June '83) whose platform it takes over, "Telecom-1" belongs to the "OTS" family (see table below), a satellite developed by the European Space Agency, two versions of which were launched in 1977 and 1978.

The common characteristics of this "family" are 3-axis stabilization, life-span of 7 years, full capacity during eclipse, modular design allowing for certain standardization and dimensions designed for a double launch on the European Ariane rocket.

"Telecom-1" has a launch weight of 1,185 kg (684 kg in orbit). Its solar panels, backed up by 2 nickel-cadmium batteries for operation during eclipse, provide it with power of 1,150 watts at full capacity. It has a wingspan (panels spread out) of 15.98 m, a width of 2.18 m and a height of 2.96 m.

TELECOM-1 INDUSTRIAL ORGANIZATION



9436

CSO: 5500/2656

FRANCE

BRIEFS

TOULOUSE SATELLITE PREPARATION CENTER--A new reception and space shot preparation center, built in Toulouse, will permit shortening delays in satellite preparation when making electrical, mechanical and thermal and climatic vacuum environment shots on two parallel satellites and thus prepare for those of Ariane class 4. This center cost 35 million francs and was financed by the CNES, ESA and the Defense Ministry. [Text] [Paris ELECTRONIQUE ACTUALITES in French 30 Mar 84 p 11] 9436.

5500/2656

NETHERLANDS

PHILIPS EXECUTIVE ON COOPERATION WITH AT&T

Rotterdam NRC HANDELSBLAD in Dutch 30 Mar 84 p 14

[Report on interview with Gerrit Jeelof, vice president of Philips, by Friso Endt: "Data Processing Technology Requires Very Large Companies"]

[Text] Eindhoven/London, 29 March -- "AT&T Philips Telecommunications is a fifty-fifty holding company involving both the Americans and us. People should not think that we pump all the money into it and the Americans pump in the necessary technology. Nor is it true that we are going to develop the 5-ESS-PRX digital telephone exchange together, put it on the market and then again go our separate ways. No, this is a marriage which will go on for a while yet."

This is what Gerrit Jeelof, vice president of Philips, said leaning back calmly in the airplane seat of the Philips Mystere jet on the evening following the presentation of the annual report to the Dutch press. He was on his way to London where the annual report will be shown to the British press, and presentations will also be made this week in Dusseldorf, Paris and other capitals.

During annual report week life is very hectic for the leaders of Philips. Vice President Jeelof, who has been with the company for more than 30 years ("in 1954 I was selling incandescent lamps in Venezuela"), has that indefinable something about him that has gradually become known as the "Philips look." Tall, very sturdily built, Dutch no-nonsense businessmen, whose hobby often is sailing when they have the time for it.

The Philips leaders are satisfied about two exploits of the past year, the cooperation with AT&T and the partial takeover of Grundig, which was approved this week by the German Cartel Office.

The AT&T business was the result of a 20 year old cross-over between Bell Laboratories of AT&T and the Philips Laboratories.

Jeelof: "Do you know what a cross-over is? No? Well, it means that you can use each other's patents. Of course, this can be done only if you have a strong patent position yourself. We do have that at Philips, thanks to our research in our own laboratories. During a meeting between people from AT&T and Philips a year and a half ago, at which time a number of patent packages had to be renewed, the talks turned to whether we could do more together."

"This in turn was the result of the fact that, based on the anti-trust legislation in America, AT&T had to diversify. Thus AT&T lost a large share of the telephone service in the United States and could only hang on to the long distance lines. But at the same time, AT&T was allowed to go outside the United States."

"From their monopoly position they had been able to operate all those successive years within the United States alone and now they could look abroad. All of this goes back to early 1982."

Question: How does something like that work?

Jeelof: You start with a general talk, a kind of tour of the horizon. What came out was the fact that we complement each other beautifully in the area of telephone and transmission. We have a good position in this area outside America; they largely don't. We have substantial experience in the technology outside the United States; their strong technological base lies within the United States and therefore they naturally have a strong support base within the United States.

America is still the country that is ahead in this area and they do, after all, hold 70 or 80 percent of the American market in their hands. In turn this means that 70 percent of the American market is equivalent to 30 percent of the world market. When you compare that with the big competitor ITT, then, in our estimate, it only has 13 percent of that world market, followed by the Japanese with something like 7 percent.

Question: And Philips?

Jeelof: Two or 3 percent; hence we are working on a rather small base. I am talking here of public telephone systems. In the area of transmission, on the other hand, we represent much more, about 6 or 7 percent. With the position and experience we have outside America, and which they in turn do not have, it made a great deal of sense to continue working together.

Question: Is that a question of a tug of war?

Jeelof: Not in the first phase. Then it is a matter of seeing whether you have common points of philosophy. If you find that it can sensibly fit together, then you have to fill in. That is the second phase then: on what share relationship will you set up the business? How are you going to define the management? How broad and how narrow should the cooperation be? For what part of the world? And indeed, then it is a matter of a tug of war.

At AT&T Philips Telecommunications, commonly referred to as APT, after the tug of war it turned into a fifty-fifty affair; both enterprises are represented on the Committee of Shareholders on a parity basis, three to three.

The president of the board of directors is an AT&T American, Al Stark, and the vice president a Dutchman, engineer K. Huber. The holding company is located in Hilversum and the working companies are full-fledged subsidiaries such as,

for example, APT Ltd. in our country and also in Switzerland, England, Belgium, and Italy. In addition, the 23 Philips organizations in the world act as representatives of APT.

Question: How broad is the cooperation?

Jeelof: It has been agreed that we will cooperate in the areas of public telephone systems and public transmission, the public network. We are somewhat ahead in the area of transmission -- they were even our clients in the United States -- while we also have much more experience at the international level because we have been supplying all those countries for years with special specifications for each country. On the other hand, they are clearly ahead in terms of public digital telephone systems.

The same applies to the so-called software. Furthermore, they naturally work on a much larger scale; in building digital telephone exchanges in the United States they are going to install 3 million lines. And now APT is going to do this with the signal engineering which we put into it because this works differently outside of America than inside the United States. And that is something we know better again.

Question: And the investments?

Jeelof: They are substantial. The amount we have to put in the Hilversum facilities alone, where the headquarters are located, involves some 100 million guilders. This is followed by many other investments, such as those in the plant we are converting in the Hague. That is to say, that factory is already there and it manufactures the old PRX-system, but now it is going to switch over to the manufacturing of 5-ESS-PRX systems, the so-called digital exchanges. We will be producing those there by the end of this year or the beginning of next year. For the Netherlands, we have now received our first orders from the PTT [Posts, Telephone and Telegraph Administration].

Question: And for other countries?

Jeelof: We are in the process but I would prefer not to talk about that in order not to step in our clients' shoes. In any case, other PTT organizations in other countries are considering it. But let's go back for a moment: consciously, and after a great deal of thought, we both decided to limit our cooperation to this trade area. You could have much broader cooperation in the development of computers etcetera, but we both consciously did not want to do that.

Question: And what if this cooperation had not come about? Would you have had to give it up then?

Jeelof: Then we could have developed the public telephone system on our own, which would have meant that four substantial investments would have been our responsibility. ITT told us that they spent \$1 billion on this digital telephone system. This gives you some idea of how much is needed for that. AT&T in the United States, in turn, spent a multiple of that, but I don't know that figure.

In any case, the development of a digital telephone system requires vast amounts of money. We could have done it but then we would have had to set aside a great deal from our profits. There was also the fact that our support base was small and this is also the reason why the European firms have a great deal of difficulty keeping pace with the new technology.

Question: And will there be others? You have been talking for quite a while with the French CIT [Industrial Telecommunications Co]-Alcatel, haven't you?

Jeelof: The French and the Germans have just reached an agreement on the standardization of the mobile telephone. In that area, we belong to a consortium with those Frenchmen and those Germans -- CIT-Alcatel and Siemens. And in the area of transmission we are still continuing to talk with CIT-Alcatel and that could, in turn, become a link to APT. A great deal of time is necessary for those things.

Question: Now it is sometimes said: Philips put a lot of money into it and the Americans are running away with the technology. Is that true?

Jeelof: Absolutely not true. APT is the international organization of Philips and AT&T in this area on a fifty-fifty basis. That is the way it is and not any other way. In all other areas besides telephone systems and transmission we are both free to do whatever we want to do. Thus, AT&T currently owns 25 percent of Olivetti in the area of computers, etcetera.

Question: Are there any market prognoses for APT?

Jeelof: Yes, there are but I will not tell you what they are.

Question: Who are the big competitors now?

Jeelof: First of all ITT. And then a number of national organizations, such as Ericsson in Sweden, CIT-Alcatel in France, Siemens in the FRG, etcetera, etcetera, but I have always said that there will be five to seven left in the world which can sustain the race and now we are one of them.

Question: The German government has decided to sink 3 billion marks into data processing technology. What do you think about that?

Jeelof: Data processing technology -- and that also includes a part of communications -- will require very large enterprises. I believe that this will lead to quite a struggle in the world. This week AT&T issued a press report announcing that it was going to move into the so-called "general purpose" computers. Hence that will turn into the struggle of the big titans in the near future, between AT&T and IBM.

Question: Philips has no plans to achieve cooperation in this area with AT&T?

Jeelof: No, we do not have such plans. We got out of that a few years ago and have concentrated on office automation. We will limit ourselves to that. But I do expect cooperation in the area of high technology. The fact is that it requires so much money.

Question: What will be the total investment of APT?

Jeelof: I am not at liberty to give you any figures on that. In any case, we invest everything together.

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CSO: 5500/2645

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